

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: May 29, 2012

Subject: Budget Analysis Report

Budget Analysis Report

The purpose of the monthly budget analysis report is to make the County Supervisors and Administration aware of certain issues that may present a problem in the near future or are currently a problem. It is important that appropriate action be taken to address these issues or concerns before they become a problem.

We have analyzed the revenue and expenditure budgets for the County departments as of April 30, 2012 and have noted the following items Supervisors should be aware of:

2012 Revenues

County Treasurer

Sales Tax – It has been noted that we have collected \$13,548 less in sales taxes through April 30, 2012 than we did through April 30, 2011 which is a 0.1% decrease. It should be further noted that included in the \$13,548 decrease is \$396,796 relating to fourth quarter 2010 sales tax from two vendors who did not file their returns correctly in 2010. If you factor out this amount, sales tax collected for 2012 has increased \$383,248 (3.1%) from prior year.

Interest and Penalties on Real Property Tax – As of April 30, the department has received \$954,999 in interest and penalties on real property tax in 2011 and \$1,010,666 in 2012 which is an increase of 6%.

Interest & Earnings - As of April 30, the department has received \$58,696 in interest in 2011 and \$15,912 in 2012 which is a decrease of 73%. It should be noted that the 2012 amount is through March and is at 9% of the budget for this account, so the actual revenue amount received is significantly behind the budgeted amount of \$185,000. Interest rates are extremely low and are not expected to improve during the year.

County Clerk

County Clerk Fees – As of April 30, the department has received \$343,054 in County Clerk Fees in 2011 and \$339,853 in 2012 which is a decrease of 0.9%. It should be noted that the 2012 amount is through March and is at 26% of the budget for this account, so the actual revenue amount received is on target with the budget.

Mortgage Tax – As of April 30, the department has received \$379,712 in Mortgage Tax in 2011 and \$391,744 in 2012 which is an increase of 3%. It should be noted that the 2012 amount is through March and is at 26% of the budget for this account, so the actual revenue amount received is on target with the budget.

Automobile Use Tax – As of April 30, the department has received \$104,766 in Automobile Use Tax in 2011 and \$109,604 in 2012 which is an increase of 5%. It should be noted that the 2012 amount is through March and is at 24% of the budget for this account, so the actual revenue amount received is on target with the budget.

Sheriff's 911 Center

Emergency Telephone Surcharge – As of April 30, the department has received \$64,758 in Emergency Telephone Surcharge in 2011 and \$67,262 in 2012 which is an increase of 4%. It should be noted that the 2012 amount is through March and is at 24% of the budget for this account, so the actual revenue amount received is on target with the budget.

Sheriff Law Enforcement

State Aid – The department has budgeted to receive \$129,526 in State Aid for 2012 and as of April 30, 2012, the department has only claimed \$558. Quarterly claims for state aid should be filed on a timely basis for cash flow and financial reporting purposes.

Sheriff's Correction Division

Jail Services, Other Government – As of April 30, the department has received \$80,548 in Jail Services, Other Government in 2011 and \$115,189 in 2012 which is an increase of 43%. It should be noted that the 2012 amount is through March and is at 18% of the budget for this account, so the actual revenue amount received is lagging behind the budgeted amount.

Health Services

State Aid - The General Public Health Works claim has not been submitted for the first quarter of 2012. In 2011, the first quarter claim was for \$358,272. It is important to submit claims on a timely basis so that we can receive reimbursement for cash flow and financial reporting purposes.

Revenue Submissions – The department was delinquent in their revenue submissions to the Treasurer's Office for March. We didn't receive them until May 16, 2012. It is important that revenues be reported to the Treasurer's Office on a monthly basis so that we can have a clearer picture of the County's financial position.

Tourism

Occupancy Tax – The department has collected \$28,603 more in occupancy taxes as of April 30, 2012 than we did as of April 30, 2011 which is a 12% increase. Our most recent figures through May 24, 2012 indicate that we have collected \$10,285 more than the same period in 2011.

Countryside Adult Home

Adult Care Private Institution – Covering the period through March 31, the department has received \$123,789 in Adult Care Private Institution revenue in 2011 and \$67,358 in 2012 which is a decrease of 46%. The 2012 amount is only at 13% of the budget for this account, so the actual revenue amount received is significantly lagging behind the budgeted amount. If this trend continues for the remainder of the year, the department would be \$300,000 under budget for this revenue account.

Office of the Aging

State and Federal Aid - The department has not submitted first quarter 2012 State and Federal Aid claims for any of its programs. It is important that quarterly claims be submitted to the Treasurer's Office on a timely basis for cash flow and financial reporting purposes.

2012 Expenditures

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

DPW - Waste Management

The department has not properly inventoried and accounted for all of its assets listed on the books totaling \$1.1 million. It is important that the department document and account for each asset in the system and take appropriate action if an asset is not found. The County needs to determine what course of action will be taken with these assets since we are no longer in the waste management business.

County Debt

The following shows the County's current debt outstanding as of April 30, 2012:

Bonds	
Public Safety Bldg & Commun Upgrade Bond	14,950,000.00
Recovery Act Bonds, Various Projects	20,440,000.00
Statutory Installment Bond - Airport Hangar	480,000.00
Capital Leases	
Westmount Co-Generation Plant	1,801,351.79
Municipal Center Energy Project	2,123,709.90
Countryside Adult Home Energy Project	249,784.90
Bond Anticipation Notes	
Purchase of Gaslight Village	133,334.00
Abatement & Demolition #1	346,288.00
Abatement & Demolition #2	116,830.00
Sheriff Vehicle/Bridge Rehab	<u>264,667.00</u>
Total Outstanding	<u><u>40,905,965.59</u></u>

Again, we invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times.